

SEHC: Structural Options

SEHCSO 5: Tenant Participation

A key requirement for housing providers in Australia is tenant participation. Governments support and require ongoing tenant involvement in their housing provision as a positive characteristic of community housing.

The Victorian Office of Housing requires prospective housing associations boards to ensure tenants views are well represented and envisage representation of one or more tenants on the board.

Section 3 of the National Community Housing Standards is about Tenant Rights and Participation:

- Standard 3.1 Tenant Rights
- Standard 3.2 Tenant Participation
- Standard 3.3 Participation in Tenant-Run Co-operatives
- Standard 3.4 Access to Services of the Organisation
- Standard 3.5 Confidentiality and Privacy
- Standard 3.6 Complaints and Appeals

Only a co-operative provides the structural opportunities to maximise tenant participation through co-operative principles and practices reflected and reinforced by co-operative legislation e.g. one vote per member and user ownership and control.

Housing co-operatives are member owned and controlled. While there may be difficulties in participative opportunities and practices, the member owners have the capacity to decide on these opportunities and practices. In non-member owned housing providers this capacity does not exist.

The uniqueness of co-operatives is recognised in Standard 3.3 Participation in Tenant-Run Co-operatives

This does not mean, of course that the board and management should not seek to improve participative opportunities and practices.

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Member ownership and control of a housing co-operative requires an active membership. If, for example, only a minority actively participate, then, the viability of the co-operative model needs to be examined.

In a Company Limited by Shares, a Company Limited by Guarantee or an Incorporated Association, the demands on tenants can be limited and, therefore, the absence of a significant active tenant membership is not an issue other than Government requirements. This is not surprising as the emphasis is on providing services for tenants – rather than by and for tenants.

In a survey for the NSW Government, Twyford Consulting concluded in 2004 that housing providers did not agree on the desirable scope of tenant participation. This is to be expected when the incorporation and governance arrangements vary between member-owned and paternalistic providers with non-tenant boards providing services to tenants.

Twyford concluded that meaningful tenant participation was fundamental in delivering services but did not itself venture into articulating meaningful tenant participation.¹

The NSW Federation of In Housing Associations Community Housing Corporate Governance Project Discussion Paper (2002) has queried the usefulness of tenant participation:

Traditionally there is support for ensuring that tenants are represented on a board, and offering the opportunity for tenants to become involved in an organisation in this way. Many organisations' constitutions require one or more tenant board members. However the research suggests that many organisations are concerned that tenants are token board members. There may be an expectation that tenant board members are there to represent all tenants. However it can be difficult for tenant board members to know the views and interests of other tenants as there is often no mechanism for tenant board members to communicate with all tenants or provide feedback to them about board decisions. Further, a representative role for tenant board members does not fit well within a skills based board structure, where all board members are expected to represent the whole ownership rather than just a segment. Nor are tenants the only stakeholders in whose interests a board must govern. For example, a board must also take into account the needs and interests of applicants on the waiting list, as well as the wider community. Tenant board members can help a board keep in touch with the communities it serves, and not lose its perspective. Community sector boards must always strike a balance

¹ Max Hardy Report on Tenant Participation and Community Housing, Final Report for Office of Community Housing, Twyford Consulting, 11 June 2004, p 63

between social objectives and financial viability, and tenant board members can play an important role in getting this balance right.

Issue for SEHC: While the provision of housing is central to the needs of members of SEHC, how critical and practical is tenant ownership and control of the housing provider?

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